

# ARIZONA STATE BOARD OF ACCOUNTANCY

## OPEN SESSION MINUTES

**March 13, 2006**

Members of the Arizona State Board of Accountancy held a meeting at 8:16 a.m. on Monday, March 13, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15<sup>th</sup> Avenue, Phoenix, Arizona. An Executive Session was held, from 8:39 a.m. to 10:00 a.m.

### **BOARD MEMBERS:**

Donald R. Bays, CPA .....	President
* Earl R. Shivers, CPA .....	Treasurer
Marianne E. DeVries, CPA .....	Secretary
Frank J. Brady, CPA .....	Member
Samuel L. Fogleman, CPA .....	Member
James E. May. ....	Member
Patrick J. Ramirez .....	Member

\* Absent

### **OTHERS PRESENT:**

Valerie M. Elliott.....	Executive Director
Jim Dubé .....	Deputy Director
Seth T. Hargraves, Esq. ....	Assistant Attorney General
☎ H. Leslie Hall, Esq.....	Assistant Attorney General
Ryan P. Edmonson .....	Programs & Projects Specialist II
Yolanda M. Barajas .....	Administrative Assistant III
Leslie R. Reed .....	Administrative Assistant III

☎ Appeared telephonically from 9:47 a.m. to 9:55 a.m.

### **GUESTS PARTICIPATING**

Christine Cassetta, Esq. .... Assistant Attorney General, Solicitor General Office

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The meeting was called to order at 8:16 a.m. by Donald R. Bays, President. The following order of business was then considered:

### **OPEN SESSION**

#### **CALL TO THE PUBLIC**

No one wished to address the Board.

#### **MINUTES**

##### **February 6, 2006 Board Meeting**

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to approve the Open Session Minutes from the February 6, 2006 Board meeting, as amended.

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the Executive Session Minutes from the February 6, 2006 Board meeting, as written.

#### **DECLARATION OF CONFLICTS OF INTEREST**

Donald R. Bays, CPA declared a conflict on File No. 2006.057.

Samuel L. Fogleman, CPA declared conflicts on File No. 2003.008 and on agenda item 15-f, Frank R. Steele.

#### **EXECUTIVE DIRECTOR'S REPORT**

Valerie M. Elliott, Executive Director, gave an update to the Board on the performance measurements and agency operations.

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to go into Executive Session at 8:39 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:00 a.m.

#### **COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES**

##### **File No. 2006.041**

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to offer a Decision and Order (by Consent) for Decree of Censure regarding retention of client records.

##### **File No. 2006.023**

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.024

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to re-open the initial analysis file.

**RESPONSE TO OFFERED DECISION AND ORDER (BY CONSENT)**

File No. 2006.007

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to file a Complaint and Notice of Hearing.

**SETTLEMENT CONFERENCE**

File No. 1998.229                      File No. 2003.021

File No. 2000.044                      File No. 2003.063

File No. 2004.046                      File No. 2006.015

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to offer a Decision and Order (by Consent) to the respondents and allow 30 days for a response.

*Donald R. Bays and Frank J. Brady declared conflicts and did vote.*

**INITIAL ANALYSIS**

File No. 2006.056

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to close the file.

**AGENDA ITEM 10-b, i**

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to open an investigation file.

**AGENDA ITEM 10-b, ii**

A motion was made by Marianne E. DeVries, seconded by Frank J. Brady and passed to take no action.

**NOTICE OF UNLAWFUL USE OF THE CPA DESIGNATION**

File No. 2006.033

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to send a questionnaire regarding inactive status, and allow 30 days for a response.

File No. 2006.052

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the response and close the file.

**ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

**Remand from Administrative Law Judge - Consideration of Stipulation and Order Canceling Firm Registration**

File No. 2006.049, Arthur Calvert & Co., PC

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to accept the Decision and Order (by Consent) for Cancellation signed by the registrant.

**Compliance with Decision & Order (By Consent)**

File No. 2003.008, Montes, Samuel J.

A motion was made by Frank J. Brady, seconded by Marianne E. DeVries and passed to take no action.

*Samuel L. Fogelman declared conflict and did vote.*

File No. 2004.061 & 2005.027, Tassainer, Garin

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to take no action.

**Recommended Decision of Administrative Law Judge**

File No. 2005.068, Sheline, Calvin

Christine Cassetta, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board.

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to accept the Administrative Law Judge's Findings of Fact.

A motion was made by Frank J. Brady, seconded by Marianne E. DeVries and passed to accept the Administrative Law Judge's Conclusions of Law.

A motion was made by Frank J. Brady, seconded by James E. May and passed to accept the Administrative Law Judge's recommended decision revoking Mr. Sheline's certificate and firm registration.

**Termination of Decision & Order (By Consent)**

File No. 2000.126; Clancy, William

A motion was made by Frank J. Brady, seconded by James E. May and passed to terminate the Consent Order and close the file.

File No. 2002.037; Elggren, Craig L.

A motion was made by James E. May, seconded by Frank J. Brady and passed to terminate the Consent Order and close the file.

**Issues from and regarding the National Association of State Boards of Accountancy (NASBA)**

US Accountancy Database

The Board discussed the accountancy database.

Prometric

Valerie M. Elliott, Executive Director provided an update regarding positive results with Prometric.

Nominating Directors at Large and Regional Directors

The Board discussed directing the Executive Director to write a letter, on behalf of the Board, supporting the nomination of Leonard R. Sanchez, CPA of New Mexico.

Sanchez Nomination

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to write a letter supporting the nomination for Leonard R. Sanchez, CPA.

Letter from Costello – Amendment to CBT Contract

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to invite Mr. Costello to the next meeting to discuss the proposed fee increases.

Regional Meeting, May 31 – June 2, 2006, San Francisco, California Consideration of approval for Executive Director and Board members attendance and travel to the meeting

A motion was made by Frank J. Brady, seconded by Patrick J. Ramirez and passed to approve the Executive Director, Valerie M. Elliott and Board officers to travel and attend the Regional Meeting on May 31 – June 2, 2006, in San Francisco, California.

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to approve an alternate attendee to travel and attend the Regional Meeting on May 31 – June 2, 2006, in San Francisco, California, if any of the Board officers are unable to attend.

**Review of Compliance with CPE Requirements**

M. Darren Roman 4620-R

A motion was made by Frank J. Brady, seconded by Patrick J. Ramirez and passed to offer a Decision & Order (By Consent) for suspension of Mr. Roman's certificate pending the completion of 4 hours of continuing professional education in the area of ethics and, if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Margie Linda Traylor 7373-E

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed offer a Decision & Order (By Consent) Accepting Relinquishment of Certificate and Registration in Lieu of Formal Disciplinary Proceedings.

Richard A. Miller 5975-E

Marianne E. DeVries reviewed the file. A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to offer a Decision & Order (By Consent) for suspension of Mr. Miller's certificate pending completion of required CPE and an administrative civil penalty of \$500.00 and, if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Charles F. Nettell 4262-E

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to offer a Decision & Order (By Consent) for suspension of Mr. Nettell's certificate pending completion of 4 hours of continuing professional education in the area of ethics and, if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Frank R. Steele 13091-E

Frank J. Brady reviewed the file. A motion was made by Frank J. Brady, seconded by Marianne E. DeVries and passed to issue an Administrative Letter of Concern.

*Samuel L. Fogleman declared a conflict and did not vote.*

**Consideration of Reinstatement of Expired Certificates**

Amy Nga Man Tang 12559-E

Sue Ping Kiang 7511-E

Sharon E. Witherspoon 2947-E

Debra S. Chargin 6004-E

A motion was made by Marianne E. DeVries, seconded by Frank J. Brady and passed to grant reinstatements.

**Request for a CPE Waiver and Fee Waiver – A.R.S. §32-730(C) & (D)**

Leonard Ray Lebrun 8266-E

Penny S. Rhoads 2969-E

Shu-Yuan Wu 5255-E

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to grant the CPE and Fee Waivers.

**Request for inactive status – A.R.S. § 32-730**

A. Bradford Buell 2832-E

Donald E. Logue 6756-E

Stephen J. Wethor 7346-R

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to approve the requests for inactive status.

**Application for Certification by Reciprocity, Deferral by Certification Committee – A.R.S. §32-726:**

J. Clay Coleman - California

Marianne E. DeVries reviewed the file. A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to defer action on the application for certification and send a letter regarding his use of the CPA designation, and request a response within 30 days.

**Application for Examination, Candidates for the Uniform CPA Exam, Deferral by Certification Committee – A.R.S. §32-723:**

Javier Orlando Carcamo

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to defer action until the May 8, 2006, Board meeting.

Michael William Reed

James E. May reviewed the file. A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to approve Mr. Reed's application for examination.

Suzanne Marie Woodbury

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to defer action until the May 8, 2006, Board meeting.

**Request Extension of NTS Date for Exam Candidate - A.A.C. R4-1-229(D)**

Haya Alkilani

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to grant an extension until the end of the following window through November 30, 2006.

**CONSENT AGENDA**

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

The Board pulled item 16-I Sam A. Morantz – Ohio from the consent agenda to vote on separately.

- I. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):  
Sam A. Morantz – Ohio

Donald R. Bays reviewed the file. A motion was made by Donald R. Bays, and seconded by Frank J. Brady and passed to approve Sam A. Morantz – Ohio for Certification by Reciprocity based on Substantial Equivalency.

Due to conflicts, Marianne DeVries requested items 16-b, 16-e and 16-n be pulled from the consent agenda and voted on separately:

A motion was made by Marianne E. DeVries, and seconded by James E. May and passed to accept the following consent agenda:

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- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

Tina L. Myers, PC

Shareholder: Tina L. Myers 6862-E

Lohman Company Advisors, PC

Shareholders: Jay A. Lohman 4928-R

Craig A. Lohman 12093-E

Cati M. Piorkowski 9260-E

Kenneth R. Council, CPA, PC

Shareholder: Kenneth R. Council 11005-R

Kotler Enterprises, PC

Shareholder: Harvey R. Kotler 8478-E

Richard E. Bingaman, CPA, PC

Shareholder: Richard E. Bingaman 13332-R

CPA Advisory Services, PC

Shareholder: Kenneth R. Council 11005-R

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants – (Meets the requirements of A.R.S. § 32-735):

CFO Tech, PLLC

Shareholder: Tarun (TJ) Juneja 13943-R

Business Systems Consulting, LLC

Shareholder: Brett Frederick 13970-E

Gregory Tanner, LLC

Shareholder: Gregory W. Tanner 8939-E

East Thomas Accounting, LLC

Shareholder: Dale E. Dykstra 12951-R

DND Tax Services, LLC

Shareholder: Dale E. Dykstra 12951-R

K's Accounting, LLC

Shareholder: Karen Julius 13978-E

DYR Tax Solutions, LLC

Shareholder: Della Y. Redaja 11045-E

- c. Recommended for Registration of Sole Practitioner for the following Applicants - (Meets the requirements of A.R.S. § 32-731):

AT Tax & Accounting

Owner: Allen Tobin 12310-E

- d. Recommended for Firm Name Change:

Eaton & Cecil, PLLC

Eaton & Cecil, PC 611-C

Shareholder: Jay R. Eaton 4989-E

Edward J. Jeffrey, CPA, PC

Jeffrey & Jeffrey, CPA's, PC 186-C

Shareholder: Edward J. Jeffrey 9055-E

Colby & Powell, PLC

Colby & Company, CPA's, PLC 639-P

Shareholders: David M. Colby 1203-E

Scott T. Powell 4906-E

Mark J. Weech 9913-E

James S. Usevitch 11402-E

Scott J. Graff 12416-E

Birenbaum & Speen, PC

Joel F. Birenbaum, PC 971-C

Shareholders: Joel F. Birenbaum 4752-R

Mitchell B. Speen 9776-R

EECPA, PLC

Elizabeth Eisenberg, PLC 1126-C

Shareholder: Elizabeth Eisenberg 12541-E



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## e. Requests for Firm Cancellation - Do not wish to renew:

Cheryl S. Thompson Accounting	2727-P	Merchants & Tradesman Accounting, LLP	1119-B
Ted Lyman, PC	2091-C		

## e. Recommended for Cancellation of Certificate per registrant's request not to renew:

Marilynn I. Freese	7826-E	Derpherd V. Laeno	8730-R
Donna J. Thrasher	1258-E	Diane S. Stevens	8213-E
Dale Willis	2294-E	Julie A. Zoldos-Lahner	8781-E
Edwin Bauch	8509-R		

## g. Recommended for Reissuance of Certificate because of Name Change:

Morris T. Mullins (Maureen T. Mullins)	11620-R	Christine L. Grafke (Camping)	12286-R
Mary J. Matchinsky (Kalway)	6100-E	Annette R. Oase-Stevens (Stevens)	7649-E
Susan M. Peavey (Gilbert)	12682-E	Holly Kiser (Linder)	12262-E
Joanne E. Chodd (Kelly)	10338-E	Melissa Goett (Ely)	11727-E

## h. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):

Debra Lee Stone	6215-R	Jeffrey Philip Fagin	4189-E
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## i. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Kristina Abril	Robert C. Ansani	Andrea Scarla
Michelle M. Beavan	Andrew Ellis	John D. Morse
Kathy L. Farina	Mark A. Fusler	Kimberly J. Schnell
Kevin M. Gibbs	Eric B. Maneval	

## j. Recommendation of the Certification Committee for approval of Certification by Grade Transfer - A.R.S. §32-721:

Riva W. Alfred - Texas

## k. Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. §32-724:

Gregory J. Applen – Minnesota	Stephen R. Byrum – Virginia
Brian D. Kansky - California	Joanne R. Doherty - New York
Brian S. Hagues - New York	

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- I. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Gregg A. Agens – Michigan	Andrew R. Bevan – Ohio
Stephen P. Bowen – Massachusetts	Garin G. Campbell – Indiana
Gregory B. Carlson – Wisconsin	Sharon A. Davis - New Mexico
Kenneth F. Deon - South Carolina	Stephen F. Dobias – Indiana
Gregory A. Gaston – Oregon	Timothy Gulling - New Mexico
Biju Kamaleswaran – Pennsylvania	Susan M. Labicane – California
Deborah Ann Lewis – Oklahoma	Carrie A. Metz – Louisiana
Joseph J. Patrick, Jr. – Pennsylvania	Roberta E. Orbach - New Mexico
John J. Samyn - Kansas	Jerome D. Rieck - South Dakota
Mark W. Sperry – Utah	Dennis L. Solin – Oregon
Linda Toogood - Connecticut	
Gary Stephani – Wisconsin	

- m. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Tyrone W. Blanchette	Christopher Michael Bown	John Michael Sturdivant
Ashley Nicole Brasel	Judith A. Brubaker	Matthew Anthony Vierthaler
David Alan Burke	James M. Burton	Janette Lynn Wallin
Laura Jean Sadauskas	Marie Christine Carnecer	Anna Elizabeth Westendorf
Kyle Wende Dolan	Misty Lee Everette	Eva Leticia Rascon
Mary Kathleen Gilbaugh	Emily Lenore Green	Lidia I. Tagliarini
John Schrader Hoover	Johnny Sungwhan Kim	Tracy Leigh Wagner
Gergana Anguelova Kovatcheva	Katherine D. Krueger	Richard E. Weisenberg
Russell Wayne Kupfer	Brian Kelly Nelson	Fei-Ni Wong
Valerie Nichitean	Nathan Michael Opel	Lacy Jean Zemaitis
Amber Renee Petty		

- n. Recommendation of the Peer Review Advisory Committee for approval on the following firms in compliance – R4-1-454:

Acosta, R.C. & Assoc., CPA's, P.C.	Perius, William M., CPA
Altschuler, Melvoin & Glasser LLP	Miller, Allen & Co., P.C.

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Becker, Linda M., P.C.

Beckman & Company, P.C.

Brown, Terry M., P.C.

Clarke, C.W., Ltd.

Creed, Dietrich & Robinson PLLC

Evans & Baldwin, P.C.

Gosney & Company, P.C.

Gray, J. Kirk, P.C.

Koivisto & Koivisto, P.C.

Lambson & Rader, P.C.

Horowitz, Gerry, CPA

Leo, Donald R. & Company, Ltd.

Moffitt & Company, P.C.

Wong, Eddy, CPA

Mukai, Greenlee & Company, P.C.

Murphy, Russell R., Ltd.

Nardine, James R., CPA, P.C.

Nordstrom And Associates, P.C.

Vicario, Lawrence A., CPA

Romek, Sanders & Company, P.C.

Rosenfeld, Mark D, CPA, PC

Rynd, Carneal & Ewing, P.L.C.

Wasser, Clinton R., CPA, PC

Yavitt, Richard E., CPA, P.C.

### CONSENT AGENDA

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to accept the following consent agenda items.

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants – (Meets the requirements of A.R.S. § 32-735):  
Demmon Consulting Service, LLC                      Shareholder: Scott Demmon 9946-E
- e. Requests for Firm Cancellation - Do not wish to renew:  
Revolution CPA's of Tucson, LLC 1108-L
- n. Recommendation of the Peer Review Advisory Committee for approval on the following firms in compliance – R4-1-454:  
DeVries CPA's Of Arizona, PC

*Marianne E. DeVries declared conflicts and did not vote.*

### SUMMARY OF CURRENT EVENTS

Donald R. Bays, President, mentioned to the Board that Seth T. Hargraves, Assistant Attorney General is getting married this coming weekend, and the Board congratulated Mr. Hargraves.

### DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The Board discussed adding language to the reciprocity application, referencing A.R.S. § 32-747 and the use of the CPA designation and to provide an update to the Board at it's next meeting and to invite Montgomery Lee, Section Chief Counsel, Civ/Les to the May 8, 2006 Board meeting to discuss the Interagency Service Agreements with the office of the Attorney General.

**ADJOURNMENT**

There being no further business, a motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to adjourn at 11:20 a.m.

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Donald R. Bays, CPA, President

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Marianne E. DeVries, CPA, Secretary

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Frank J. Brady, CPA Member

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Samuel L. Fogleman, CPA Member

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James E. May, Board Member

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Patrick J. Ramirez, Board Member